

# At the Board of Investments, we offer total investment management solutions:

- Supplying knowledge-based market information
- Analyzing your business feasibility
- Handholding your concerns
- Linking you to the services chain
- Matching you with foreign and local businesses
- Nurturing your expansion and diversification
- Profiling industries

	WHERE TO REGISTER	FILING FEE	TIME TABLE
<b>1. Corporation/Partnership</b> Corporations are juridical persons established under the Corporation Code and regulated by the Securities and Exchange Commission (SEC) with a personality separate and distinct from that of its stockholders. It consists of at least five (5) to fifteen (15) incorporators each of whom just hold at least one share and must be registered with the SEC.  A Partnership is treated as juridical person, having a separate legal personality from that of its members. It consists of two (2) or more partners. A partnership with more than three thousand pesos (P 3,000.00) capital must register with Securities and Exchange Commission (SEC)  1. a File BIR Form No. 2000 (Documentary Stamp Tax Return) in triplicate within 5 days after the closing of the month upon securing SEC/DTI Certificate of Registration	<b>Securities and Exchange Commission (SEC)</b> Web: <a href="http://www.sec.gov.ph">www.sec.gov.ph</a> (register On-Line for the Corporate name)  Tel. No.: 584-9223 loc. 219 / 584-0763 loc 254 (Corporate Registration and Monitoring Department)  Authorized Agent Bank in the Revenue District (Bureau of Internal Revenue) where the business or property is located.	1. Domestic company - 1/5 of 1% of the authorized capital stock  2. Representative Office - 1/10 of 1% of the actual inward remittance  3. Branch Office - 1% of actual inward remittance converted into Pesos but not less than P2,000.00  4. RHQ - P5,000.00 (SEC)  5. ROHQ - 1% of actual remittance but not less than 1% of peso equivalent of US\$200,000.00 at the time of remittance. (SEC)  BOI filing fees for RHQ and ROHQ- P4,500.00 each  For No. 4 and 5, Application should be filed first with the Board of Investments (BOI). After its evaluation and approval, it will be forwarded/transmitted to the SEC for the issuance of the Certificate of Registration.	Within three (3) to five (5) working days upon official acceptance  Three (3) to five (5) working days  Three (3) to five (5) working days
<b>2. Incentives Availment (OPTIONAL)</b>	<b>Board of Investments (BOI)</b> Tel No.: 895-8322, 895-3640, 895-3657 <a href="http://www.boi.gov.ph">www.boi.gov.ph</a>  <b>Philippine Economic Zone Authority (PEZA)</b> Tel No.: 551-3436 / 551-3438 <a href="http://www.peza.gov.ph">www.peza.gov.ph</a>  <b>Clark Development Corporation (CDC)</b> Tel No.: (63-45) 599-2043 / 2642 <a href="http://www.clark.com.ph">www.clark.com.ph</a>  <b>Subic Bay Metropolitan Authority (SBMA)</b> Tel No.: (63-47) 252-4000 / 252-4004 <a href="http://www.sbma.com">www.sbma.com</a>	Depends on company's project cost  P3,600.00  P2,000.00  US\$50.00	BOI - within twenty (20) working days  PEZA - Within the day/two (2) weeks (Board Action)  CDC - two(2) to three (3) weeks  SBMA - Three (3) weeks to one (1) month
<b>3. Mayor's Permit (License to Operate) and Barangay Clearance</b>	Local Government Unit (Office of the Mayor) where business/project is located	Depends on the capital, varies for every LGU	Depends on LGU's timetable
<b>4. Department of Labor and Employment (DOLE)</b>	<b>Department of Labor and Employment</b> Regional office where business is located Tel. No.:527-8000 <a href="http://www.dole.gov.ph">www.dole.gov.ph</a>	Rule 1020 (Occupational Safety & Health Standards) - No fee Department Order - 1802 (Contractor/ Subcontractor Employee-Employer relationship) - P100.00	One (1) day or may vary depending on documents completed
<b>5. Environmental Clearance Certificate (ECC)/or Certificate of Non-Coverage (CNC) (depends on business activity)</b>	<b>Environmental Management Bureau - Department of Environmental and Natural Resources (EMB-DENR)</b> Tel. No.: 920-2253 <a href="http://www.emb.gov.ph">www.emb.gov.ph</a>	ECC Non-Critical - P4,015.00 ECC Critical - P6,000.00 CNC - P115.00	ECC Non-Critical - 20 working days ECC Critical - 40 working days Cert of Non-coverage - 1 day to more than a week.
<b>6. Visa (Treaty traders, Working/ Employment; Investor's Visa and Retiree's Visa)</b>	<b>Bureau of Immigration</b> Tel. (632) 527-3248 <a href="http://www.immigration.gov.ph">www.immigration.gov.ph</a>	Investor's Visas: Treaty trader's visa - P2,010.00 SIRV (Investors visa)(probationary) US\$300.00 (BOI) and P10,110.00 (Bureau of Immigration) SRRV(Retiree's Visa) - depends on category  Employment Visa: Special non-immigrant Visa(47a2) - P2,000.00/ per person (BOI) - P2,525.00/ per person (DOJ)	Two (2) to three (3) months Ten (10) working days  Five (5) to seven (7) days  Fifteen (15) days

SOURCE: Investment Assistance Center

## Doing BUSINESS in the Philippines



**INVEST**  
**Philippines**  
Your Business. Our People.



INDUSTRY &amp; INVESTMENTS BUILDING

385 Sen. Gil Puyat Avenue, Makati City, Philippines 1200  
 Tel. Nos.: [632] 897-6682 • [632] 809-9308 • [632] 895-3640  
[www.boi.gov.ph](http://www.boi.gov.ph)



# Welcome to the Philippines, your investment destination of choice in Asia!

The government is committed to sustaining the robust outlook on the economy as it takes a proactive role in stepping up investment to a whole new level.

This brochure will guide you on the procedures and the applicable laws that will assist you in doing busines in the Philippines.

We invite you to explore opportunities for investments in key areas of the economy.

We are Open for Business!

### 1) Who are qualified to invest in the Philippines?

Anyone, regardless of nationality, is welcome to do business and invest in the country, in almost all areas of economic activities provided these are not listed in the Foreign Investment Negative List (FINL) of the Foreign Investments Act of 1991.

### 2) What are these areas of investments covered by the Foreign Investments Act (FIA)?

Under the Foreign Investments Act of 1991 (Republic Act 7042 as amended by RA 8179), foreign investors are allowed to invest 100% equity in almost all types of business activities subject to certain restrictions as prescribed in the Foreign Investments Negative List (FINL).

The FINL is a shortlist of investment areas and activities which may be opened to foreign investors and/or reserved to Filipino nationals. The Foreign Investments Negative Lists (FINL) are classified as follows:

- a. List A- Foreign ownership is limited by mandate of the constitution and specific laws
- b. List B - Foreign ownership is limited for reasons of security, defense, risk to health and morals and protection to small and medium-scale enterprises.

### 3) Is it possible for foreigner to invest up to 100% capital in a domestic entity?

Yes, it is possible to do so if it meets the following conditions:

- a. If the proposed activity he intends to venture in is not among those listed in the FINL
- b. If the paid-up capital for domestic market enterprise is at least US\$200,000.00 which may be lowered to US\$100,000.00 if the following conditions are met:
  - I. Introduction of advanced technology; or
  - II. Employment of at least 50 direct employees.

### 4) What are the requirements in establishing a business in the Philippines?

Doing business in the Philippines (with or without incentives) requires prior registration with the following agencies: a) Securities and Exchange Commission (SEC) for corporation or partnership; and b) Department of Trade and Industry (DTI) for sole or single proprietorship.

There are other options of enterprises that maybe set up which require SEC registration, namely Domestic Corporation, Branch office, Representative or liaison office, Regional Headquarters (RHQ) and Regional Operating Headquarter (ROHQ).

### 5) What are possible incentives schemes available for an investor?

The government has come up with a liberal program of fiscal and non-fiscal incentives to attract foreign capital and technology that complements local resources.

In terms of investment incentives, the following are offered:

- a. **Incentives Offered Under the Omnibus Investments Code of 1987 (E.O 226) Project outside of the economic zones can register with the Board of Investments (BOI) to qualify for the incentives below:**
  - Income Tax Holiday (ITH) Exemption from Corporate Income Tax for four (4) years (for “Non-Pioneer projects”) or six (6) years (for “Pioneer” projects), extendible to a maximum of eight (8) years
  - Duty-free importation of capital equipment (E.O. 70)
  - In lieu of ITH additional deduction for labor expenses equivalent to 50% of the wages of additional skilled and unskilled labor force.
  - Tax and duty free importation of breeding stocks and genetic materials.
  - Tax credit on domestic breeding stocks and genetic materials.
  - Simplified customs procedures for the importation of equipment, spare parts raw materials and supplies and exports of processed products.
  - Unrestricted use of consigned equipment.
  - Employment of foreign nationals in supervisory, technical or advisory position. Foreign nationals may renew the visa indefinitely for the position of President, General Manager and Treasurer (or their equivalent) of foreign-owned registered enterprises.
  - Tax credit for taxes and duties paid on raw materials, supplies and semi-manufactured products used in manufacture of export products and forming part thereof.
  - Access to bonded manufacturing warehouse system.
  - Exemption from wharfage dues and export tax, duty, impost and fees.
  - Additional deduction for necessary and major infrastructure works for those locating in less-developed areas

### b. Other incentives offered under the Special Economic Zone Act of 1995 and the Bases Conversion and Development Act of 1992

- The Philippine Economic Zone Authority (PEZA) grants similar incentives to those BOI-registered projects however upon expiry of the ITH, there is an exemption from all local and national taxes, and in lieu thereof, payment of the special tax of 5% on Gross Income; and Zero (0%) Value Added Tax (VAT) on local purchases of goods and services, including telecommunications, power and water bills.
- Enterprises allowed to operate within the Subic Bay Freeport (SBF) shall, in lieu of paying all other taxes, pay a final tax of 5% of gross income provided their income from local (non-export) sales shall not exceed 30% of their income from all sources.
- Enterprises locating within the Clark Special Economic Zone (former American Airbase at Clark Field) and Poro Point Special Economic and Freeport Zone (formerly Wallace Air Station and its adjoining areas) are granted incentives similar to those given SBF enterprises.
- Two other special economic zones were created under two separate special laws. These are the Cagayan Special Economic Zone Authority (CEZA) and Zamboanga Economic Zone Authority (ZEZA). The incentives granted to those that will locate in these economic zones are similar to the incentives granted to PEZA ecozone enterprises.

### 6) What are the protections to investments available to investors?

All investors are entitled to the basic rights and guarantees provided in the Philippine Constitution. Among other rights recognized by the government of the Philippines are the following:

#### a. Repatriation of Investments

Foreign investors have the right to repatriate the entire proceeds of the liquidation of the investment in the currency in which the investment was originally made at the exchange rate prevailing at the time of repatriation as long as it is registered with Bangko Sentral ng Pilipinas (BSP).

#### b. Remittance of Earnings

In the case of foreign investments, investors have the right to remit earnings from the investment in the currency in which the investment was originally made and at exchange rate prevailing at the time of remittance.

#### c. Foreign Loans and Contracts

Foreign investors have the right to remit, at the exchange rate prevailing at the time of remittance, such sums as may be necessary to meet the payment of interest and the principal on foreign loans and foreign obligations arising from technological assistance contracts.

#### d. Freedom From Expropriation

There shall be no expropriation by the government of the property represented by the investments or of the property of enterprises except for public use or in the interest on national welfare and defense and upon payment of just compensation. In such cases, foreign investors or registered enterprises shall have the right to remit sums received as compensation the expropriated property in the currency in which the investment was originally made and at the exchange rate prevailing at the time of remittance.

## GENERAL BUSINESS PROCEDURES AND APPLICATION REQUIREMENTS FOR SINGLE PROPRIETORSHIP

	WHERE TO REGISTER	FILING FEE	TIME TABLE
<b>1. Single/Sole Proprietorship</b> (ownership by an individual who has full control/ authority of its own and owns all the assets, personally owes and answers all liabilities or suffers all losses but enjoys all the profits to the exclusion of others)	<b>Department of Trade and Industry (DTI)-NCR</b> www.dti.gov.ph Tel No.: 751-0384 loc. 2124/ 811-8231 loc. 205/217 Tel No.: 751-3330	Depends on territorial jurisdiction: Barangay/City - P200.00 Municipality - P500.00 Regional - P1,000.00 National - P2,000.00  For foreign applicants, below are the additional fees for the Certificate of Authority to engage in business under the Foreign Investments Act (RA 7042) <ul style="list-style-type: none"><li>Filing Fee - P500.00</li><li>Registration Fee - P5,000.00</li></ul>	Within the Day
1. a. If an applicant is a foreigner, secure VOLUNTARY REGISTRATION in lieu of Alien Certificate of Registration (ACR) with the Bureau of Immigration before securing DTI registration and opening an account with any commercial banks under his/her name.	<b>Bureau of Immigration</b> Tel No.: (+632) 527-3248  <b>Requirements:</b> Extend EO 21 days (Tourist visa) to 59 days stay Letter-request for voluntary registration and address to Alien Registration Division (BI-ARD)	ACR- P1,010.00 I-CARD - P2,400.00 Processing Fee - P500.00	Within seven (7) days
<b>2. Tax Identification Number (TIN)</b>	Bureau of Internal Revenue (BIR) Tel No.: 981-7000 www.bir.gov.ph (on-line application for the TIN is available)	P500.00 plus Certification Fee of P15.00 and Documentary stamp fee of P15.00	Within the day
<b>3. Incentives Availment (OPTIONAL)</b>	<b>Board of Investments (BOI)</b> Tel No.: 895-8322, 895-3640, 895-3657 www.boi.gov.ph  <b>Philippine Economic Zone Authority (PEZA)</b> Tel No.: 551-3436 / 551-3438 www.peza.gov.ph  <b>Clark Development Corporation (CDC)</b> Tel No.: (63-45) 599-2043 / 2642 www.clark.com.ph  <b>Subic Bay Metropolitan Authority (SBMA)</b> Tel No.: (63-47) 252-4000 / 252-4004 www.sbma.com	Depends on company's project cost  P3,600.00  P2,000.00  US\$50.00	BOI - Within twenty (20) working days  PEZA - Within the day/two (2 weeks) (Board Action)  CDC - Two (2) to three (3) weeks  SBMA - Three (3) weeks to one (1) month
<b>4. Mayor's Permit (License to Operate) and Barangay Clearance</b>	Local Government Unit (Office of the Mayor) where business/project is located	Depends on the capital, varies for every LGU	Depends on LGU's Timetable
<b>5. Department of Labor and Employment (DOLE)</b>	<b>Department of Labor and Employment</b> regional office where business is located Tel. No.: 527-8000 www.dole.gov.ph	Rule 1020 (Occupational Safety & Health Standards) - No fee Department Order - 1802 (Contractor/ Subcontractor Employee-Employer relationship) - P 100.00	One (1) day or may vary depending on documents completed
<b>6. Environmental Clearance Certificate (ECC)/or Certificate of Non-Coverage (CNC) (depends on business activity)</b>	<b>Environmental Management Bureau</b> <b>Department of Environmental and Natural Resources (EMB-DENR)</b> Tel No.:920-2253 / www.emb.gov.ph	ECC Non-Critical - P4,015.00 ECC Critical - P6,000.00 CNC - P115.00	ECC Non-Critical -20 working days ECC Critical - 40 working days Certificate of Non-Coverage - 1 day to more than a week.
<b>7. Visas (Treaty traders; &amp; Retiree's Visa)</b>	<b>Bureau of Immigration</b> Intramuros, Manila Tel. (+632) 527-3248 www.immigration.gov.ph	Treaty trader's visa - P2,010.00 SRRV (Retiree's Visa) - USD1,400.00	Two (2) to three (3) months Five (5) to seven (7) days

SOURCE: *Investment Assistance Center*

### e. Right to Requisition of Investment

There shall be no requisition of the property presented by the investment or of the property of enterprises, except in the event of war or national emergency and only for the duration. Just compensation for the requisitioned property may be remitted in the currency in which the investment was originally made and the exchange rate prevailing at the time of remittance.

In addition, under various investment agreements of the Philippines with other States, investors are accorded the following, among others:

#### i. Free Transaction of Capital

The Philippines allows all transfers relating to investments to be made freely and without delay into and out of its territory, subject to compliance with certain requirements imposed by laws and regulations.

#### ii. National Treatment

The Philippines treats all investments equally whether made by foreign or local investors to the extent allowed by Philippine laws.

#### iii. Fair and Equitable Treatment

The Philippines affords to investments fair and equitable treatment and full protection and security accordance with customary international law.